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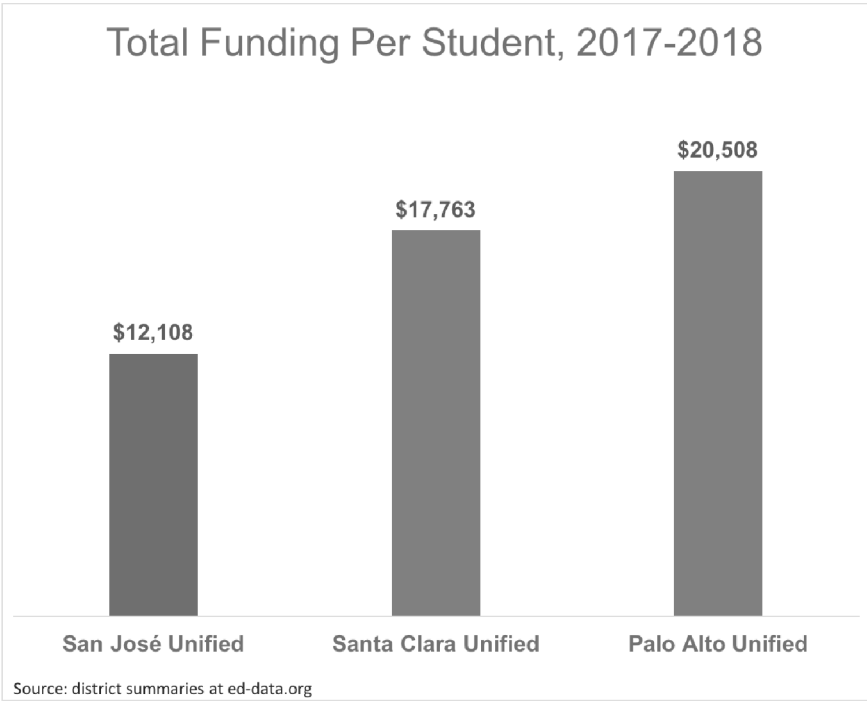


Looking Toward the Future: San José Unified's Employee Housing Initiative

The Challenge

Silicon Valley is one of the most expensive places to live (<https://www.investors.com/etfs-and-funds/personal-finance/highest-rent-us-cities/>) in the United States. Rent has been rising faster in San José and the surrounding area than just about anywhere else in the country for over a decade (<https://www.census.gov/newsroom/blogs/random-samplings/2017/12/rents.html>) and housing cost increases show no signs (<https://www.apartmentlist.com/rentonomics/national-rent-data/>) of slowing down. The high cost of living in this area is forcing many of our students and employees out.

San José Unified offers (<https://www.sjsud.org/join-our-team/>) unparalleled supports and professional development opportunities for the people who work here. Whether they support our students as a bus driver, custodian, teacher, secretary, or principal, our employees have great benefits and salaries competitive with those in many area districts. But public education in California is inequitably and inadequately funded (<https://drive.google.com/file/d/1BTajZuqOs8pEGWW6oUBotb6omVw1hUJI/view>). Some of our neighbors are basic aid districts, which means (<https://ed100.org/lessons/lcff>) their local property tax revenue exceeds the state's minimum funding guarantee and goes directly to their public schools. They thus have considerably more money to devote to employee compensation than we have, making it tough for us to compete with what they can offer. Especially given the statewide teacher shortage (https://www.gettingdowntofacts.com/sites/default/files/2018-09/GDTFII_Report_Darling-Hammond.pdf), it is getting harder to recruit and retain the innovative workforce that makes the San José Unified school system excellent.



The Opportunity

The Teacher Housing Act of 2016 (https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB1413) encourages school districts to use state and local funds to construct employee housing. Other legislation (https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201720180AB1157) extends the property tax exemption for schools to affordable rental housing for school employees on district land. Together, these laws mean school districts can build rental units and offer them to school employees at substantial discounts, perhaps even below half of market rates. The laws offer districts a creative way to raise the standard of living for teachers and other school staff.

Land is one of San José Unified’s most valuable assets. We own hundreds of acres across dozens of sites. We’ve also been examining how to better align student needs with district facilities. Due in no small part to the housing affordability issues San José Unified families are facing, we are dealing with enrollment imbalances. Some schools are undersubscribed and can offer fewer programs to students as a result. Others are close to **capacity**, meaning they may soon be forced to turn away families who wish to attend. In addition, while our current facilities serve students well, school design has advanced considerably since some of them were built. The introduction of new incentives to build employee housing provides us with a unique opportunity to realign enrollment, upgrade facilities, and simultaneously help our employees navigate the rising cost of living in San José.

Community discussion of San José Unified properties has focused on supporting employee housing projects and San José Unified employees have continued to emphasize the economic challenges they’re facing. These considerations, along with an assessment of land use characteristics, has focused San José Unified’s in-depth analysis for potential employee housing purposes on four properties at this time – all of which could potentially yield homes employees can occupy within the next 3-5 years.



Timeline

August 17, 2017 (Board Meeting (<https://agendaonline.net/public/Meeting.aspx?AgencyID=123&MeetingID=10531&AgencyTypeID=1&IsArchived=True>)): Board approves creation of an advisory committee on enrollment projections and the utilization of San José Unified facilities.

October 10, 2017: Advisory Committee on Current Enrollment, Enrollment Projections, and Utilization of District Facilities recommends (<https://sjusd.box.com/s/86hg3oynaohgl4i9rldbijot3kdvv4pe>) a comprehensive review of facilities needs and immediate attention to enrollment imbalances.

October 19, 2017 (Board Meeting (<https://agendaonline.net/public/Meeting.aspx?AgencyID=123&MeetingID=11386&AgencyTypeID=1&IsArchived=True>)): Board adopts Resolution 2018-10-19-01 (<https://sjusd.box.com/s/1ixfhq6sv6d25pr5sz4k8wawutwuvpem>) , committing San José Unified to being “a partner in the effort to positively address the City’s affordable housing crisis.”

August 23, 2018 (Board Meeting (<https://agendaonline.net/public/Meeting.aspx?AgencyID=123&MeetingID=15589&AgencyTypeID=1&IsArchived=True>)): Staff present an update on enrollment and San José Unified properties, asking for guidance on whether to maintain the status quo, continue to monitor the issues, or prepare a plan for how to potentially move forward. Board directs staff to prepare a plan.

September 13, 2018 (Board Meeting (<https://agendaonline.net/public/Meeting.aspx?AgencyID=123&MeetingID=16059&AgencyTypeID=1&IsArchived=True>)): Board adopts staff recommendation to identify a set of properties that have the potential to 1) better serve students, 2) positively address enrollment imbalances across schools, and 3) support employee housing projects.

September 27, 2018 (Board Meeting (<https://agendaonline.net/public/Meeting.aspx?AgencyID=123&MeetingID=16078&AgencyTypeID=1&IsArchived=True>)): Staff present nine properties that can potentially 1) better serve students, 2) positively address enrollment imbalances across schools, and 3) support employee housing projects. Board instructs staff to begin exploring the feasibility of projects involving the nine properties.

October 3, 2018: At the request of employees and community members, San José Unified hosts an informational meeting (<https://sjusd.box.com/s/jek1fkahu7kqvfg9gjuke9d1o27f0k5>) on the potential plan for properties at Leland High School.

October 17, 2018: At the request of employees and community members, San José Unified hosts an informational meeting (<https://sjusd.app.box.com/file/414314225181>) on the potential plan for properties at Gardner Elementary School.

November 26, 2018: Citizens’ Bond Oversight Committee discusses (<https://sjusd.box.com/s/isk4ovyoyjd929jyh8jw7xi9seidwdej4>) the potential plan for properties.

February 7, 2019 (Board Meeting (<https://agendaonline.net/public/Meeting.aspx?AgencyID=123&MeetingID=69135&AgencyTypeID=1&IsArchived=False>)): New Board members receive an informational update (<https://sjusd.box.com/s/evpdkbekuma19jktpefnck6t03byukdo>) on the nine properties that can potentially 1) better serve students, 2) positively address enrollment imbalances across schools, and 3) support employee housing projects.

March 28, 2019 (Board Meeting (<https://agendaonline.net/public/Meeting.aspx?AgencyID=123&MeetingID=70614&AgencyTypeID=1&IsArchived=False>)): Board approves contract (<https://sjusd.box.com/s/8gl608lozxshi2q86zx6dwkfat4d8ww4>) with The Schoennauer Company LLC to help prioritize and move forward with finalizing properties that can 1) better serve students, 2) positively address enrollment imbalances across schools, and 3) support employee housing projects.

June 27, 2019 (Board Meeting (<https://agendaonline.net/public/Meeting.aspx?AgencyID=123&MeetingID=72378&AgencyTypeID=1&IsArchived=False>)): Board approves contract (<https://sjusd.box.com/s/lnurxjk6onrgpkx0ozsjsjwq8wxvmb3ap>) with Kelly Snider Consulting and extends contract (<https://sjusd.box.com/s/ag1nw80emcadkd5n6xb1zsp0zq8kz4he>) with The Schoennauer Company LLC to help prioritize and move forward with finalizing properties that can 1) better serve students, 2) positively address enrollment imbalances across schools, and 3) support employee housing projects.

September 23, 2019 (Board Meeting (<https://agendaonline.net/public/Meeting.aspx?AgencyID=123&MeetingID=74258&AgencyTypeID=1&IsArchived=False>)): Board approves recommendation (<https://sjusd.box.com/s/oxyyp1jc3jaucmlntw0eykdx7ia03o9k>) to focus in-depth analysis for employee housing purposes on four properties.

Next steps: San José Unified will move forward with the partnerships necessary to obtain a pre-development evaluation for employee housing purposes at four focus properties.

Frequently Asked Questions

Which four properties are currently being analyzed for employee housing purposes? How were they chosen?

To prioritize sites that can potentially yield homes quickest, the Board has approved in-depth analysis on the four properties below. Factors that make them priority sites include their proximity to transit and favorable land use characteristics. These properties also do not necessarily invoke substantial “predecessor events,” enabling the evaluation of potential student impact and housing viability simultaneously.

For more information, please see this report (<https://sjusd.box.com/s/oxyyp1jc3jaucmlntw0eykdx7ia03o9k>) .

| Property | Current use | Key Features |
|--|---|--|
| 855 Lenzen Avenue San José, CA 95126 | Parking for San José Unified District Offices | no student population adjacent to multi-family residential near regional transportation current use can be replaced adjacent to general plan urban village designation |
| 1088 Broadway San José, CA 95125 | River Glen K-8 School | magnet school with no attendance boundary of its own adjacent to existing residential adjacent to commercial and shopping district |
| 1325 Bouret Drive San José, CA 95118 | Second Start-Pine Hill Non-Public School | non-public school with no attendance boundary of its own near express and local transit adjacent to multi-family residential adjacent to general plan urban village designation |
| 760 Hillsdale Avenue and 705-745 Capital Expressway San José, CA 95136 | MetroED as well as Commercial Uses | available acreage with no student uses adjacent to public transportation near commercial shopping district near multi-family residential within general plan urban village designation higher density and building heights possible |

How many employees would this project serve?

San José Unified is committed to providing housing options for at least 10% of our workforce, or about 300 employees. We are also committed to providing affordable options for employees at a variety of income levels.

How have you assessed the demand and need for employee housing?

We have looked at statewide (<https://learningpolicyinstitute.org/product/teacher-shortages-ca-solutions-brief>) trends (<https://edsources.org/2019/in-need-of-teacher-housing-more-california-school-districts-building-their-own/611220>) , current hiring challenges, and feedback from departing employees, including teachers. San José Unified faces a serious bus driver shortage (<https://www.kron4.com/news/bay-area/major-bus-driver-shortage-in-san-jose-unified-school-district/1881833264>) and has lost a number of quality employees due to affordability issues in recent years. We have also listened to our employee groups, who have highlighted the challenges posed by the cost-of-living in this area and expressed an interest in creative solutions. We believe it's important to take action now so that, ten years from now, we can still fill all of our positions with high-quality staff.

What type of housing would San José Unified build?

All new housing would be consistent with other housing in the neighborhood in which it is built. Some locations might be ideal for single-family homes; in others, high-density apartments might make more sense.

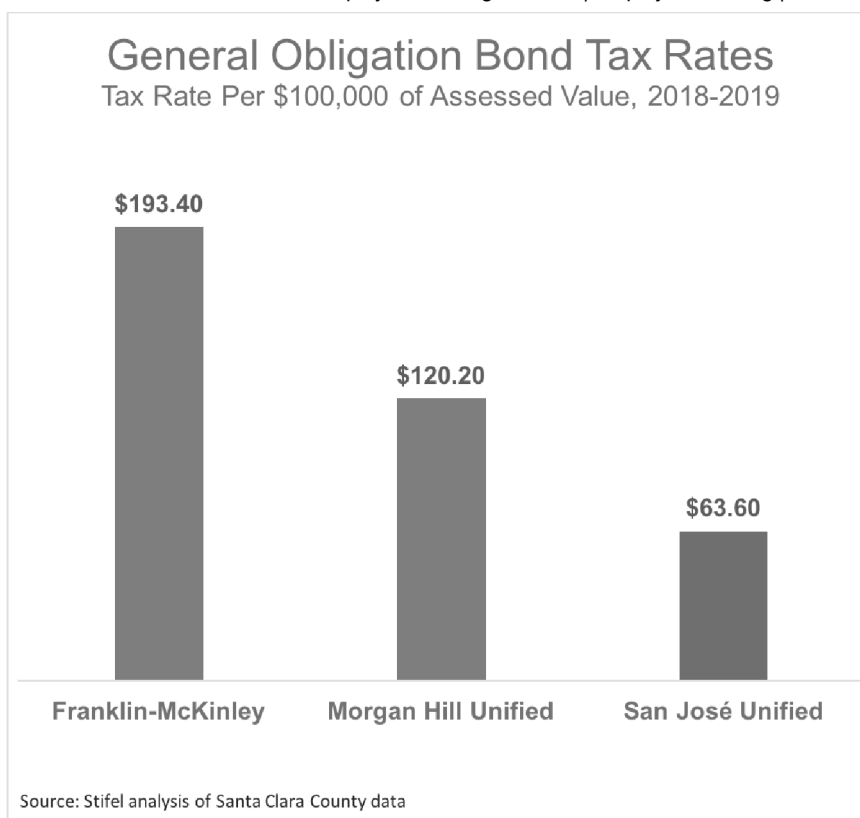
How long will it take to build employee housing?

The length of time will vary depending on the specific characteristics and major considerations of each site, but the four properties currently being analyzed were chosen to prioritize the delivery of units within 3-5 years. As we perform in-depth analysis of these four properties, we will develop a clearer timeline.

How much will these projects cost and who will fund them?

We will have a better idea of the costs once we complete a thorough analysis of the four prioritized properties. We plan to work with Santa Clara County, the City of San José, the state of California, and any other interested partners to identify funding options.

San José Unified's properties plans include better facilities for our students in addition to employee housing, and depending on the amount of funding that we are able to secure, a general obligation bond is a possibility. We are fortunate to currently have one of the lowest general obligation bond tax rates among school districts in Santa Clara County.



Why are you hiring consultants?

At the February 7, 2019 Board meeting, staff committed to interviewing and recommending to the Board consultants with land use and construction expertise who could assist with this complex project. Those with expertise in these areas can help us move employee housing forward in the best locations possible and enable district staff to continue to focus on the day-to-day work of educating our 30,000 students.

Does San José Unified still hope to upgrade school facilities and positively address enrollment imbalances?

Yes. While all staff and consultant time related to employee housing is focused on the four identified properties at this time, better serving students through facilities upgrades and more balanced enrollment remains an important goal. These criteria will continue to guide San José Unified's longer-term planning around properties and educational programs.

What other information is available on this topic?

Those interested in more detail can peruse our full set of supporting documents (<https://sjusd.box.com/s/6tpbue96q5jwp2ro0foia6lh0wshxf6o>) , presentations (<https://sjusd.box.com/s/ca9ss180oahbsgn7n8d9jblfvxrjk07>) , and contracts (<https://sjusd.box.com/s/8n59bm63feytcl1ezqmq2m28augwokz3>) . We will continue to update this webpage as new information becomes available and encourage you to email housing@sjusd.org (<mailto:housing@sjusd.org>) if you have additional questions.

What media coverage has this issue received?

Articles about our efforts have appeared in *The New York Times* (<https://www.nytimes.com/2019/01/04/us/teachers-priced-out-tech-hubs.html>) , *CityLab* (<https://www.citylab.com/equity/2018/10/san-jose-trying-build-low-cost-housing-teachers/572665/>) , *Fast Company* (<https://www.fastcompany.com/90252096/silicon-valley-teachers-cant-afford-rent-so-theyre-turning-old-schools-into-teacher-housing>) , and other media outlets. There has also been extensive reporting, including (<https://www.mercurynews.com/2018/09/08/in-housing-shortage-even-a-heavyweight-struggles-to-provide-shelter/>) in (<https://www.mercurynews.com/2018/09/06/san-jose-tops-list-for-least-affordable-housing-in-u-s/>) *The* (<https://www.mercurynews.com/2019/02/26/looking-for-a-home-in-silicon-valley-better-make-255k/>) *Mercury News* (<https://www.mercurynews.com/2019/04/30/where-can-a-teacher-afford-to-live-in-the-bay-area/>) , on the area's affordable housing crisis.

Can I share feedback on this initiative?

Absolutely! We've moved one step at a time to facilitate a transparent public discussion before any big decisions are made. You're always welcome at our public meetings, of course, but please also feel free to send us an email at housing@sjusd.org (<mailto:housing@sjusd.org>) at any time.

Thank you for your interest in this project. We are excited about its potential to help us better prepare today's students to be the leaders, thinkers, and creators of tomorrow and look forward to partnering with you to seize this opportunity.

<https://www.sjusd.org/who-we-are/employee-housing/>

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